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TAGS: [PGOV](#) [PREL](#) [PTER](#) [MARR](#) [EINV](#) [CA](#)  
SUBJECT: CANADA'S LIBERAL LEADERSHIP RACE: DION EMERGES AS  
UNLIKELY WINNER

REF: QUEBEC 150

Classified By: Mary B. Marshall for reasons 1.4 b,d

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Summary  
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1. (C/NF) Former Environment Minister Stephane Dion emerged the surprise winner of the Liberal Leadership convention, held in Montreal from November 30-December 2, coming from fourth place to beat frontrunner Michael Ignatieff, 2521 to 2084 delegate votes. Ignatieff, though an eloquent and passionate speaker with a motivated group of supporters, proved to be a divisive force within the Liberal party and the convention itself. Dion, in contrast, who had slowly, but steadily gained momentum throughout the campaign, had first round votes from fewer than 20% of the delegates at the conference's outset. The Ignatieff and Rae camps feared Dion's moving beyond the first round vote, as it was clear Dion would have stronger support in second and third rounds, but underestimated the Dion momentum. Dion's commitment to the environment, specifically the Kyoto protocol, his status as a respected (albeit a bit wonky) former Liberal minister, his being seen as the candidate with the least liabilities, as well as his strategic alliance with fourth-place leadership contender Gerard Kennedy, catapulted him in the successive votes to victory few pundits thought possible. As the head of the official opposition, Dion is likely to mount attacks on Harper's environmental policy, Canada's continued presence in Afghanistan, and the Conservative government's perceived overly-close relationship with the Bush administration. The leadership race overshadowed the lackluster policy and procedural resolutions adopted at the Liberal convention.

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Liberals Under Dion: His Program and Challenges for  
U.S.-Canada Relations  
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2. (C/NF) Dion campaigned on a three-pillar policy of economic prosperity, social justice, and environmental sustainability, though his victory speech left room for other Liberal policy ideas. As expected, Dion focused most on this third pillar, trumpeting his Kyoto credentials during his bid for leadership (his white huskie named Kyoto became part of the campaign effort.) However, Dion may run into problems if he strives to use his record as Environment Minister in Paul Martin's government as the backbone of his campaign. Despite his endorsement of the Kyoto Protocol and reductions in GHG emissions, his time in the Environmental Ministry, according to a report by Canada's Auditor General, saw expenditures on projects with

questionable contribution to GHG reductions. But the issue of the environment is one that Canadians (and especially Quebecers) hold dear, and might serve his campaign well if he is able to propose new and pragmatic initiatives to move Canada forward on this issue. Given the fact that Kennedy played kingmaker, Kennedy's strong interest on social issues will likely factor into the Liberal program, although the role that Kennedy will play within a Dion-led Liberal Party has yet to be determined.

¶3. (C/NF) On Canada's Afghan deployment, Dion will continue to call for an "honorable way out." He will target Harper's decision to extend Canada's mission there until 2009 without adequate Parliamentary debate. The Liberals will no doubt be tempted to transform the next federal election, expected for the spring, into referendum on Afghanistan. In addition, Dion will at least to some extent follow in the footsteps of his predecessors and target the Conservative policies as being too close to those of the U.S. "Today we face a very right-wing Government, much more like the current US Republican Party than the old Tories, the former Progressive Conservative Party of Canada," Mr. Dion stated during his speech Friday evening. "Canada has a Prime Minister who thinks that the United States is not only our ally, but also our model. A Prime Minister who would have immersed us in the Iraq nightmare. A Prime Minister who, last Spring, blackmailed Parliament with the threat of an election, in order to impose on Canada, blindly, two more years in Afghanistan with no clear mandate. A Prime Minister who is mirroring the style of his hero to the point that President Bush should be getting royalties from Mr. Harper's speeches."

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Two Salient Issues: the Environment and The Unity Question  
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¶4. (C/NF) Bernard Landry, former head of the separatist Parti Quebecois, endorsed Dion's victory as "the first step towards sovereignty." This position might seem bizarre given Dion's hard-line stance against constitutional recognition of Quebec's "nation" status, or more powers that such a status might entail. But Landry and other Parti Quebecois and Bloc Quebecois leaders have stated their views that Dion's position at the head of the Liberal camp is their chance to generate a groundswell in favor of sovereignty among Quebecers who have trouble accepting Dion's pro-federalist stance.

¶5. (C/NF) Minister of Public Works Michael Fortier stated over the weekend that Dion was elected primarily by delegates from outside his home province, and that most Quebec delegates voted in favor of Ignatieff. The perception that Dion lacks a strong base of popular and Quebec Liberal MP support in his own province (due to his hard-line stance on Federal-Provincial relations) is being widely debated in the media and by delegates. Some see his stance on the environment as carrying more political cache among voters, especially among young voters, than the unity question. However, a pre-convention Canadian Press poll showed that Stephane Dion was as popular in Quebec as Bob Rae or Michael Ignatieff. In any case, however, he will attract the support of committed federalists in the province, so predictions of an electoral disaster there seem to be overdrawn.

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The Dion Image: A "brain on legs" or a political "Indiana Jones"?  
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¶6. (C/NF) Dion has a reputation for being rigid in his

beliefs and for having a difficult time forging compromises with those who have different ideological leanings. His heavily-accented, labored English does not always translate well outside of Quebec. But he is also viewed as a sharp, strategic thinker with courage to speak his mind and the conviction and will to pursue his agenda. Many political analysts wondered whether he would be able to overcome his image as a "brain on legs" during his December 1 speech to convention delegates. Although some termed his convention speech as lackluster, due to his unchanging facial expression and the fact that he was unable to finish the final 20 percent of his speech, continuing to speak as his microphone faded and the music volume increased, others respected his passion and determination as the sign of a political fighter: "Not since Indiana Jones has there been a university professor as tough, determined, and resourceful as Stephane Dion," wrote Don MacPherson of the Montreal Gazette. Others too have warned not to underestimate Dion, who has also been described as "the Francophone Harper." Dion's image challenge is different outside of Quebec. He is not as known, and while his stance on national unity meshes well with the opinion in ROC, Dion risks falling victim to being the third Quebecer in a row as the Liberal candidate.

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Delegates vote to continue convention formula, avoid debate on policy  
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17. (SBU) During the convention's plenary session, three "priority" resolutions on international affairs were adopted without any debate: 1) A resolution urging the Government of Canada to explore avenues to create an international convention regulating the global trade in small arms and light weapons; 2) A resolution urging the Canadian Government to respect water as a global good and basic human necessity which is ensured through public ownership and not as a marketable commodity controlled only by supply and demand; and 3) A resolution on the rights of indigenous people and Arctic sovereignty, which advocates the "development of a comprehensive Arctic sovereignty strategy that addresses issues such as trade, Arctic water pollution, regulations for shipping traffic, and aeronautics regulation."

18. (SBU) The International Affairs policy workshop also saw the adoption of a resolution to establish a Secretary of State for Canada-U.S. relations under the Minister of Foreign Affairs, a resolution on "northern sovereignty" stating that the Canadian government should require all foreign ships to

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register in advance of "plying northern Canadian waters, including the Northwest Passage," and another on Canada's mission in Afghanistan that would urge the Canadian government to have a "full and open debate" in Parliament on the current goals and objectives of the mission with the aim of clearly defining the mission's goals and objectives for the Canadian people, "and using the success, or lack thereof, of meeting these objectives as the principal basis for determining how long, or whether, Canada maintains a military presence in Afghanistan." Of the seventeen resolutions introduced in the policy workshop, all but one was adopted, the exception being a resolution on Canada's role in peacekeeping, conflict resolution, and governance building, as some delegates expressed opposition to the mention of "military" methods (alongside "non-military" methods of peacekeeping).

19. (SBU) If the environment was a unifying theme, then the question of national unity was the divisive one that the Liberals intentionally avoided. In contrast to the virtual absence of debate among Liberal convention delegates over policy issues during plenary sessions, efforts to do away with future leadership conventions by changing the party's method of electing its leader to "one member, one vote" on

November 30 raised significant controversy and passionate arguments from both sides of the debate. Some policy issues gained prominence outside of plenary sessions, such as during a speech to youth delegates to the convention, where Michael Ignatieff seemed to soften his support for Canada's mission in Afghanistan, by stating that he saw no reason to extend Canadian troops' presence in the country after 2009. The real policy debates occurred among the leadership candidates themselves, during their December 1st speeches.

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Convention organizers strive for the appearance of unity, but the "Nation" question dogs leadership candidates  
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¶10. (SBU) A motion to have the Liberal party recognize Quebec as a Nation (following the adoption of a similar resolution at the Federal level on November 27--see reftel) threatened to introduce deep divisions into the leadership convention. The motion followed from September 2006 campaign statements by Ignatieff about Quebec's language and culture constituting a "nation" within Canada. The Quebec wing of the Liberal party issued a statement November 27 withdrawing its planned resolution, saying the federal motion, though it differs slightly, delivers what the Liberal motion had sought. Political analysts and media said the tactic was to avoid an open debate during the convention, which would have shown the party as divided, and would have isolated the Liberal party as the only federal party that rejected the motion. Some political analysts have blamed Ignatieff's introduction of the formerly dormant, ever-divisive "Quebec nation" question, into the political discourse of the leadership race as one of the reasons for his failure to win the votes necessary to carry the election.

¶11. (C/NF) Dion's reputation as a hard-line Federalist and as the author of the Clarity Act (setting out a strict set of guidelines to be used in future referendums on Quebec Sovereignty) has made him unpopular among some Quebec nationalists. Dion might opt to soften his position on this question somewhat in order to win more approval in Quebec, but such a change of ideology would require a dramatic departure from the vision of a united Canada he has been promoting throughout his political life. He did, however, vote for the motion in the House of Commons that recognized the Quebecois as a nation within a unified Canada.

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Comment  
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¶12. (C/NF) Much of the press coverage regarding Dion has been positive, and a national poll taken in the afterglow of his election not surprisingly gave him a big bounce and pushed him in front of Harper, 37 to 31 percent. He has critics however, and within minutes of his victory, they came out of the woodwork, including from members of his own party. They took him to task for his faltering English, lack of charisma, absence of political acumen, and suspected inability to bring together an effective coalition. But those who have underestimated Stephane Dion in the past have done so at their own expense. The media commentary unanimously claimed the Liberals emerged with the

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damage repaired from decades of feuding between Chretien and Martin camps, and the sponsorship scandal. Dion has mobilized the party's youth and taken the first steps towards gathering a strong base of support from his former opponents in the leadership race, hosting a lunch meeting December 2 with each of the former contenders to discuss strategies for moving forward. Whether the Liberals will be able to use the party's biennial convention and

leadership race to pull themselves together and rally behind their new leader, who has pledged to reinvigorate the party, remains to be seen. Pundits agree that Dion is well-positioned on the two most important issues coming out of the Liberal convention: the environment and national unity, much of his success will depend on Dion's ability to reinvent his image, renew his relations with Quebec federal liberals, and generate support for a unified Liberal program - promoting environmental issues without slowing down the economic prosperity. Much will also depend on whether Harper re-takes the initiative and delivers on his campaign promises. Timing of the next elections, which most predict will be this spring, will give Dion a chance to demonstrate whether or not he was the right choice.

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